

MURMANN HANNELORE

Form 4

December 14, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
MURMANN KLAUS H

(Last) (First) (Middle)

KROKAMP 35,

(Street)

NEUMUNSTER, 2M D 24539

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SAUER DANFOSS INC [SHS]

3. Date of Earliest Transaction
(Month/Day/Year)
12/12/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☒ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☐ Form filed by One Reporting Person
☒ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock ⁽¹⁾					6,000	D	
Common Stock					10,000 ⁽²⁾	D	
Common Stock					10,000 ⁽³⁾	D	
Common Stock	12/12/2006		J ⁽⁴⁾⁽⁵⁾	10,474,000 A \$ 0	18,087,825 ⁽⁶⁾	I	See footnote. ⁽⁶⁾
Common Stock	12/12/2006		J ⁽⁴⁾⁽⁵⁾	10,474,000 D \$ 0	0 ⁽⁷⁾	I	See footnote.

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Report Transaction (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MURMANN KLAUS H KROKAMP 35 NEUMUNSTER, 2M D 24539	X	X		
MURMANN HANNELORE BISMARCKALLEE 24 D 24105 KIEL GERMANY, 2M 00000		X		
MURMANN SVEN PICKHUBEN 2 HAMBURG, 2M D 20457	X	X		
KEIM NICOLA SCHOMORELLPALTZ 7 MUNCHEN, 2M D 81545	X			
MURMANN KNUTH ULRIKE HANSASTRASSE 47 D020144 HAMBURG GERMANY, 2M 0000		X		

MURMANN JAN
PARKALLEE 3
D 201 HAMBURG
GERMANY, 2M 0000 X

MURMANN MBAPPE ANJA
312 EAST 22ND
APT PHB
NEW YORK, NY 10010 X

ZOELLNER CHRISTA
BISMARCKALLEE 24
D 24105 KIEL
GERMANY, 2M 0000 X

ZOELLNER BRITTA
BISMARCKALLEE 24
D 24105 KIEL
GERMANY, 2M 00000 X

KLAUS MURMANN CO KG
SAUER DANFOSS INC
2800 EAST 13TH STREET
AMES, IA 50010 X

Signatures

Klaus H. Murmann, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Hannelore Murmann, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Sven Murmann, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Nicola Keim, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Ulrike Murmann-Knuth, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Jan Murmann, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Anja Murmann-Mbappe, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Christa Zoellner, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Britta Zoellner, by John N. Langrick, Attorney in Fact	12/12/2006
<u> </u> Signature of Reporting Person	Date
Klaus H. Murmann & Co. KG, by John N. Langrick, Attorney in Fact	12/12/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Because the filing system does not accommodate joint filings by more than 10 persons, this Form 4 constitutes Part 1 of a two-part filing. Part 2 is identical in content but is signed by the remaining joint filers.
- (2) These shares are owned directly by Sven Murmann, a director and 10% beneficial owner of the issuer.
- (3) These shares are owned directly by Nicola Keim, a director of the issuer.
- (4) The filing persons are reporting an intrafamily restructuring. In the first transaction, Sauer Finance Holding GmbH f/k/a Sauer GmbH, a German limited liability company that was at the time a 10% beneficial owner of the issuer ('Sauer GmbH'), distributed all 10,474,000 of its shares of issuer common stock to its 100% parent company, Sauer Holding GmbH, a German limited liability company that is a 10% beneficial owner of the issuer ('Sauer Holding').
- (5) In a second transaction on the same day, Klaus H. Murmann & Co. KG, a German limited partnership ('Murmman KG'), until the transaction the 100% owner of Sauer Holding, distributed all of its membership interests in Sauer Holding to the partners of Murmann KG in proportion to their partnership interests. As a result of differences in the governance structure of Sauer Holding as compared to Murmann KG, Nicola Keim, Ulrike Murmann-Knuth, Jan Murmann, Anja Murmann-Mbappe, Christa Zoellner, and Britta Zoellner can no longer be deemed to be 10% beneficial owners of the issuer.
- (6) These shares are owned directly by Sauer Holding. These shares are owned indirectly by Klaus H. Murmann, Hannelore Murmann, and Sven Murmann as members of Sauer Holding who share the power to vote on investment decisions. Hannelore Murmann may be deemed to be a 10% beneficial owner of the issuer. Klaus H. Murmann and Hannelore Murmann each disclaim beneficial ownership of 14,569,743 shares of these securities. Sven Murmann disclaims beneficial ownership of 15,361,990 shares of these securities. This report shall not be deemed an admission that either Klaus H. Murmann or Hannelore Murmann is the beneficial owner of the disclaimed securities for purposes of Section 16 or for any other purpose.
- (7) As a result of the transactions reported herein, Sauer GmbH and Murmann KG are no longer direct or indirect beneficial owners of any shares of the issuer's securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.